

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1809 – SB 2233**

February 2, 2018

**SUMMARY OF BILL:** Combines the disciplines of barbering and cosmetology by eliminating licenses under the barbering discipline and creating uniform cosmetology/barbering licenses for individual licensees, shops and schools. Eliminates the requirement for a license to perform natural hair styling services and the requirement for shops and schools specializing in natural hair styling to be licensed.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue –**

**\$3,200/FY18-19/Board of Cosmetology and Barber Examiners**

**\$6,500/FY19-20 and Subsequent Years/**

**Board of Cosmetology and Barber Examiners**

Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board of Cosmetology and Barber Examiners experienced a deficit of \$163,666 in FY15-16, a surplus of \$50,787 in FY16-17, and had a cumulative reserve balance of \$281,620 on June 30, 2017.

The Governor's proposed budget for FY18-19, on page A-37, recognizes a recurring decrease in state revenue to the Board of Cosmetology and Barber Examiners in the amount of \$6,500.

**Assumptions:**

- Passage of this legislation would require the Board of Cosmetology and Barber Examiners (BCBE) to no longer issue licenses to the 156 natural hairstylists and 48 natural hairstyling shops currently licensed in Tennessee.
- The biennial license fee is \$60 for a natural hairstylist and \$75 for a natural hairstyling shop.
- No longer issuing these licenses would result in a decrease in state revenue to the BCBE.
- For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2019, the public welfare requiring it.

- Due to the effective date of this legislation of January 1, 2019, the total decrease in state revenue is estimated to be \$3,240 [(156 individuals x \$60) + (48 shops x \$75) / 2-year license x 50.0%] in FY18-19 and \$6,480 [(156 individuals x \$60) + (48 shops x \$75) / 2-year license] in FY19-20 and subsequent years.
- Combining the disciplines of barbering and cosmetology will not change the licensure fees or the educational requirements already established by the BCBE.
- The BCBE can promulgate any necessary rules during regularly-scheduled Board meetings at no additional cost.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two- year period. The BCBE experienced a deficit of \$163,666 in FY15-16, a surplus of \$50,787 in FY16-17, and had a cumulative reserve balance of \$281,620 on June 30, 2017.

## **IMPACT TO COMMERCE:**

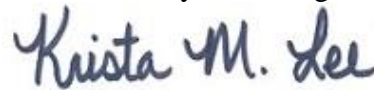
**Decrease Business Expenditures – \$3,200/FY18-19  
\$6,500/FY19-20 and Subsequent Years**

Assumptions:

- This legislation is estimated to result in a recurring annual decrease in business expenditures of \$6,500 as a result of natural hairstylists, shops and instructors no longer being required to pay a licensure fee.
- This legislation will have no significant impact on jobs in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/vlh